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DEPARTMENT OF COMMERCE

International Trade Administration

(C-570-938)

Citric Acid and Certain Citrate Salts: Final Results of Countervailing Duty Administrative Review; 2012

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce (the Department) has completed its administrative review of the countervailing duty (CVD) order on citric acid and certain citrate salts (citric acid) from the People's Republic of China (PRC) for the period of review (POR) covering January 1, 2012, through December 31, 2012. On June 25, 2014, we published the preliminary results of this review and the post-preliminary results were completed on September 5, 2014.¹

We provided interested parties with an opportunity to comment on the *Preliminary Results* and Post-Preliminary Results. Our analysis of the comments submitted resulted in a change to the net subsidy rate for RZBC Group Shareholding Co., Ltd., RZBC Co., Ltd., RZBC Juxian Co., Ltd., and RZBC Imp. & Exp. Co., Ltd. (collectively, the RZBC Companies). The final net subsidy rate is listed below in the section entitled "Final Results of the Review."

DATES: EFFECTIVE DATE: [INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

¹ See *Citric Acid and Certain Citrate Salts: Preliminary Results of Countervailing Duty Administrative Review; 2012*, 79 FR 36012 (June 25, 2014) (*Preliminary Results*) and Memorandum to Paul Piquado, "Post-Preliminary Results Decision Memorandum for the Fourth Administrative Review of the Countervailing Duty Order: Citric Acid and Certain Citrate Salts from the People's Republic of China," dated September 5, 2014 (Post-Preliminary Results).

FOR FURTHER INFORMATION CONTACT: Patricia M. Tran and Raquel Silva, AD/CVD Operations, Office III, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone (202) 482-1503 and (202) 482-6475, respectively.

SUPPLEMENTARY INFORMATION:

Background

Following the *Preliminary Results* and Post-Preliminary Results, on September 11 through 19, 2014, the Department conducted verification of the questionnaire responses submitted by the Government of the PRC (GOC) and the RZBC Companies. The verification reports for the GOC and the RZBC Companies were released on October 8, 2014.² We received case briefs from the GOC, the RZBC Companies, and Petitioners³ on October 20, 2014.⁴ On October 27, 2014, all parties submitted their rebuttal briefs.⁵ No hearing was held in this case as none was requested.

Scope of the Order

² See Memorandum to Eric Greynolds, Acting Office Director for AD/CVD Duty Operations, Office III, “Administrative Review of Countervailing Duty Order on Citric and Certain Citrate Salts: Verification of the Questionnaire Responses Submitted by the RZBC Co. Ltd. and its cross-owned affiliates,” (October 7, 2014); see also Memorandum to Eric Greynolds, Acting Director, AD/CVD Duty Operations, Office III, “Administrative Review of Countervailing Duty Order on Citric and Certain Citrate Salts: Verification of the Questionnaire Responses Submitted by the Government of the People’s Republic of China,” (October 7, 2014).

³ Petitioners are Archer Daniels Midland Company, Cargill Incorporated, and Tate & Lyle Ingredients America LLC.

⁴ See letter from the GOC, “GOC’s POR 4 Administrative Case Brief in the Fourth Administrative Review of the Countervailing Duty Order on Citric Acid and Certain Citrate Salts from the People’s Republic of China,” (October 20, 2014); Letter from Petitioners, “Citric Acid and Certain Citrate Salts From The People’s Republic Of China/ Petitioners’ Case Brief,” (October 20, 2014); Letter from the RZBC Companies, “Citric Acid and Citrate Salts from the People’s Republic of China: Case Brief,” (October 20, 2014).

⁵ See letter from the GOC, “GOC’s Rebuttal Brief in the Fourth Administrative Review of the Countervailing Duty Order on Citric Acid and Certain Citrate Salts from the People’s Republic of China,” (October 27, 2014); Letter from Petitioners, “Citric Acid and Certain Citrate Salts From The People’s Republic Of China/ Petitioners’ Rebuttal Brief,” (October 27, 2014); Letter from the RZBC Companies, “Citric Acid and Citrate Salts from the People’s Republic of China: Rebuttal Case Brief,” (October 27, 2014).

The merchandise subject to the order is citric acid and certain citrate salts. The product is currently classified under the Harmonized Tariff Schedule of the United States (HTSUS) item numbers 2918.14.0000, 2918.15.1000, 2918.15.5000, 3824.90.9290, and 3824.90.9290. Although the HTSUS numbers are provided for convenience and customs purposes, the written product description remains dispositive.

A full description of the scope of the order is contained in the memorandum from Christian Marsh, Deputy Assistant Secretary for Antidumping and Countervailing Duty Operations to Paul Piquado, Assistant Secretary for Enforcement and Compliance, “Issues and Decision Memorandum for the Final Results of the Countervailing Duty Administrative Review: Citric Acid and Certain Citrate Salts; 2012” (Final Decision Memorandum), dated concurrently with this notice, and hereby adopted by this notice.

Analysis of Comments Received

All issues raised in the case briefs are addressed in the Final Decision Memorandum. A list of the issues raised is attached to this notice as an Appendix. The Final Decision Memorandum is a public document and is on file electronically via Enforcement and Compliance’s Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS).⁶ ACCESS is available to registered users at <http://access.trade.gov> and in the Central Records Unit, room 7046 of the main Department of Commerce building. In addition, a complete version of the Final Decision Memorandum can be accessed directly on the internet at <http://www.trade.gov/enforcement/>. The signed Final Decision Memorandum and the electronic versions of the Final Decision Memorandum are identical in content.

⁶ On November 24, 2014, Enforcement and Compliance changed the name of Enforcement and Compliance’s AD and CVD Centralized Electronic Service System (“IA ACCESS”) to AD and CVD Centralized Electronic Service System (“ACCESS”). The website location was changed from <http://iaaccess.trade.gov> to <http://access.trade.gov>. The Final Rule changing the references to the Regulations can be found at 79 FR 69046 (November 20, 2014).

Methodology

The Department conducted this review in accordance with section 751(a)(1)(A) of the Tariff Act of 1930, as amended (the Act). For each of the subsidy programs found countervailable, we determine that there is a subsidy, *i.e.*, a financial contribution from an “authority” that confers a benefit to the recipient, and that the subsidy is specific.⁷ For a full description of the methodology underlying our conclusions, *see* the Final Decision Memorandum.

In making these findings, we relied, in part, on facts available and, because the GOC did not act to the best of its ability to respond to the Department’s requests for information, we drew an adverse inference in selecting from among the facts otherwise available.⁸ For further information, *see* “Use of Facts Otherwise Available and Adverse Inferences” in the Final Decision Memorandum.

Final Results of the Review

In accordance with 19 CFR 351.221(b)(5), we determine a net countervailable subsidy rate of 17.55 percent *ad valorem* for the RZBC Companies.

Assessment Rates

The Department intends to issue appropriate assessment instructions directly to U.S. Customs and Border Protection (CBP) 15 days after the date of publication of these final results, to liquidate shipments of subject merchandise by the RZBC Companies entered, or withdrawn from warehouse, for consumption on or after January 1, 2012, through December 31, 2012.

⁷ See sections 771(5)(B) and (D) of the Act regarding financial contribution; section 771(5)(E) of the Act regarding benefit; and section 771(5A) of the Act regarding specificity.

⁸ See sections 776(a) and (b) of the Act.

Cash Deposit Instructions

The Department also intends to instruct CBP to collect cash deposits of estimated CVDs in the amount shown above on shipments of subject merchandise by the RZBC Companies entered, or withdrawn from warehouse, for consumption on or after the date of publication of the final results of this review. For all non-reviewed companies, we will instruct CBP to continue to collect cash deposits at the most recent company-specific or country-wide rate applicable to the company. Accordingly, the cash deposit rates that will be applied to companies covered by this order, but not examined in this review, are those established in the most recently completed segment of the proceeding for each company. These cash deposit requirements, when imposed, shall remain in effect until further notice.

Administrative Protective Order

This notice serves as a reminder to parties subject to administrative protective order (APO) of their responsibility concerning the disposition of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of return or destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and the terms of an APO is a sanctionable violation.

We are issuing and publishing these results in accordance with sections 751(a)(1) and 777(i)(1) of the Tariff Act of 1930, as amended.

Paul Piquado
Assistant Secretary
for Enforcement and Compliance

Dated: December 22, 2014.

Appendix

List of Topics Discussed in the Issues and Decision Memorandum

- I. Summary
- II. Background
- III. Scope of the Order
- IV. Use of Facts Otherwise Available and Adverse Inferences
- V. Subsidies Valuation Information
- VI. Benchmarks and Discount Rates
- VII. Analysis of Programs
- VIII. Analysis of Comments

- Comment 1:** Whether to Reverse the Department's "Authorities" Determination
- Comment 2:** Whether to Find Certain Calcium Carbonate Producers are "Authorities"
- Comment 3:** Whether the Department Should Countervail Input Purchases Made Through Trading Companies and Produced by "Authorities"
- Comment 4:** Whether to Find Input for LTAR Programs Not Specific
- Comment 5:** Whether to Find the Provision of Caustic Soda for LTAR Countervailable
 - A. Specificity
 - B. "Authorities"
 - C. Market Distortion
 - D. Benchmark
- Comment 6:** Export-Import Bank of China Buyer's Credit
- Comment 7:** Whether to Apply Adverse Facts Available (AFA) to Steam Coal and Sulfuric Acid Purchases
- Comment 8:** Whether to Exclude Freight Surcharges for Limestone Flux
- Comment 9:** Whether the Provision of Calcium Carbonate for LTAR is Specific to the RZBC Companies' Purchases
- Comment 10:** Whether to Average Benchmark Prices
- Comment 11:** Whether to Use Inland Freight Benchmark Data for Steam Coal
- Comment 12:** Whether to Include Hazardous Shipping Charges in International Freight Calculations for Sulfuric Acid and Caustic Soda Benchmarks
- Comment 13:** How to Ensure That World Market Prices Used in Benchmarks Are Reasonably Available in China
- Comment 14:** How to Treat Steam Coal Benchmark Data Reported on CIF Basis
- Comment 15:** Whether to Account for Grade or Specification of Sulfuric Acid, Steam Coal, and Limestone Flux In Benchmarks
- Comment 16:** Whether to Account for Quantities Sold for Limestone Flux, Sulfuric Acid, and Steam Coal Benchmarks
- Comment 17:** How to Calculate Benchmarks Using GTIS Data
- Comment 18:** Whether to Recalculate Land Benchmark

- IX. Conclusion

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